loom sector change from time to time depending upon the prices of yarn, off-take of cloth, availability or power and the economic decisions of power-loom owners. The profitability of weaving operations in recent months has been affected because of the rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing in rural and urban areas. Because of the decentralised nature of the industry, it is not possible to give any precise estimate about the percentage of the powerlooms which may have stopped weaving activity. The available figures of yarn deliveries to the powerloom sector, for the country as a whole indicate that the production of cloth in the power-loom sector has been maintained during the first eight months of the current financial year.

The rise in prices of cotton yarn has been largely because of the rise in prices of cotton. Government have reviewed the situation for corrective action. Government have suspended exports of staple cotton since July, 1987. To ensure that exports of cotton yarn do not affect the domestic availability of cotton and cotton yarn, import of cotton against export of cotton yarn, cotton fabrics and made-ups has been permitted on advance licensing basis. Government are maintaining a cloth watch on the situation.

Rise in the price of standard gold

862. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of steep rise in the price of standard gold in the country and what was its price in the beginning and end of 1987 and whether Government are monitoring the gradual shift in investment pattern;

(b) what was the demand for gold in 1987 and what was the domestic production and how was the demand met;

(c) what is the reason for the increase in the arrival of scrap gold in the country last year in spite of Govt's claim of stricter vigilance in this regard.

(d) what was the quantity of gold fabrication in 1987 for various uses and percentage increase over the previous year; and

(e) whether Government propose to import gold to check the spiralling prices of gold and to meet industrial needs?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Yes, Sir.

The price of standard gold on 2nd January, 1987 was Rs. 2400/- and on 31st December, 1987 was Rs. 3510/- per 10 gms. in the Bombay market. Government in the recent past has introduced a number of schemes to encourage financial savings.

(b) Government has not made an estimate of the total demand for gold. The domestic production of gold during 1987 was 1864 Kgs.

(c) Govt. have no information in regard to scrap gold arrivals.

(d) Fabrication of gold into ornaments is done by gold dealers and gold-smiths. Gold dealers are required to submit quarterly returns of their transactions of gold but no returns are prescribed for goldsmiths, hence the quantity of gold fabricated in 1987 cannot be stated.

(e) The Policy on gold is under examination by a Committee set up by the Government with Dr. Rangarajan, Deputy Governor of Reserve Bank of India as its chairman. The report of the Committee is awaited.

The domestic production of gold is sufficient to meet the industrial needs.